

MEMBERSHIP AGREEMENT
OF
THE FOUR CORNERS TRANSPORTATION COALITION

This Membership Agreement (this "Agreement") is entered into effective as of the **August 25, 2006** by and between The Four Corners Transportation Coalition, a California nonprofit mutual benefit corporation (the "Corporation"), and the **City of Industry**, a **municipal** corporation (the "Member"). For and in consideration of the mutual agreements and provisions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

MISSION STATEMENT

The mission of the Four Corners Transportation Coalition is to advocate, secure funding for, and facilitate the implementation of, regional transportation projects so as to: ensure the mobility of both people and goods within and through the Four Corners area; improve air quality; support economic prosperity; enhance public safety; and provide the residents and visitors to the region with a better quality of life. Initially, the Coalition will focus on four regionally significant projects: design and construction of the SR-57/SR-60 Interchange Solution; SR-71 completion (SR-60 to I-10); SR-91 Corridor improvements; and Pine/Schleisman/Arlington Corridor improvements.

RECITALS

The Corporation is qualified as a tax-exempt organization described in Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation has a stated mission to engage in the nonpartisan analysis, research, study and advocacy of the transportation infrastructure issues affecting the "Four Corners" area of Southern California. The Corporation has determined that the addition of the Member as a member of the Corporation pursuant to this Agreement will better enable the Corporation to fulfill its mission.

The Member has determined that becoming a member of the Corporation pursuant to this Agreement is consistent with its own mission, philosophy and purposes and, in the case of a Governmental Member, represents that has funds in its treasury at the time of execution sufficient to meet the three year commitment set forth herein.

AGREEMENT

1. Membership Dues:

1.1 Payment of Dues. The Member hereby promises to pay, by check, by money order or by wire transfer made payable to the Corporation, annual membership dues for three years of \$10,000 a year which shall be due on or before July 15th of each year. Membership dues are not refundable.

1.2 Failure to Pay Dues. In the event the Member fails to pay the full amount of annual dues called for in Section 1.1 by the date on which each installment or such annual dues is due, and such default is not cured within fifteen (15) days after written or telephonic notice thereof given by the Corporation has been received by the Member, the following provisions shall apply, commencing after such five-day cure period and continuing until the earlier to occur of (i) the termination of the Member's membership in the Corporation or (ii) such earlier date as the Member has otherwise cured the default in accordance with Section 1.2(d) below:

(a) Whenever the vote or consent of the Member or of any director of the Corporation who is an officer, director, representative, employee or agent of the Member would otherwise be required or permitted by the Certificate of Incorporation or Bylaws of the Corporation or by applicable statute, the Member or such director shall not be entitled to participate in such vote or consent, and such vote or consent shall be calculated as if the Member was not a member of the Corporation or if such director was not a member of the Corporation's Board of Directors. In addition, all other rights and privileges of membership in the Corporation shall be suspended with respect to the Member.

(b) The Corporation may commence legal proceedings against the Member to collect the due and unpaid amount of membership dues, together with interest thereon for the account of the Corporation from the due date at the maximum rate allowed by applicable law, plus the costs and expenses of collection (including attorneys' fees and expenses).

(c) If, after thirty (30) days from the expiration of the 15-day cure period, the Member has not paid the full amount of due and unpaid membership dues, together with interest thereon, the Corporation may terminate the Member's membership in the Corporation by the affirmative vote of at least a majority of the Corporation's Board of Directors, provided notice of the intention to terminate the Member's membership interest is provided to the Member.

(d) Notwithstanding the foregoing provisions of this Section 1.2, the Member shall have the opportunity to cure its default in the payment of membership dues pursuant to this Section 1.2(d) in the event that (i) the Member exercises its opportunity to cure within thirty (30) days of the termination of the fifteen-day cure period prescribed in the first sentence of this Section 1.2 (the "Cure Period") and (ii) not more than two other defaults have occurred with respect to the Member during the prior twelve consecutive calendar months. In order to cure such default, prior to the end of the Cure Period, the Member must pay the due and unpaid amount of membership dues to the Corporation, together with interest thereon for the account of the

Corporation at the maximum rate allowed by law. In the event that the Member cures its default as provided in this Section 1.2(d) prior to the expiration of the Cure Period, the Corporation shall rescind any actions taken against the Member pursuant to Sections 1.2(a) through (c) as if the Member had not defaulted in its payment of membership dues hereunder.

2. Obligations of the Member In addition to the obligation to pay membership dues in the manner set forth in Section 1 of this Agreement, the Member hereby agrees to the following conditions of membership:

2.1 Organization of the Member Member is a **municipal** corporation duly organized, validly existing and in good standing under the laws under the State of California and has all requisite power and authority to execute and deliver this Agreement, and perform all of its obligations under this Agreement.

2.2 Governing Documents of the Corporation The Member acknowledges that, in its capacity as a member, it is bound by terms and conditions of the Corporation's Certificate of Incorporation, the Bylaws of the Corporation, each of which the Member acknowledges that it has read and understands, and such policies and procedures as may be adopted from time to time by the Board of Directors of the Corporation.

2.3 Three Year Commitment The Member acknowledges that it is making a commitment hereby to remain a member in good standing of the Corporation for a period of three (3) years from the effective date of this Agreement and that it is committed to pay annual dues of \$10,000 for a period of three (3) years from the effective date in order to provide a stable source of funding for the Corporation.

2.4 Representatives The Member hereby designates _____ to serve as its duly authorized representative at meetings of the members and _____ to be its nominee to the Board of Directors. The Member may change those designations in a written notice to the Corporation.

3. Obligations of the Corporation

3.1 Organization of the Corporation The Corporation is a nonprofit mutual benefit corporation duly organized, validly existing and in good standing under the laws of the State of California and has all requisite power and authority to:

(a) conduct its charitable, educational and social welfare activities as presently conducted;

(b) execute and deliver this Agreement, and perform all of its obligations under this Agreement; and

(c) issue a membership to the Member in accordance with the terms of this Agreement its Articles of Incorporation and its Bylaws.

3.2 Use of Membership Dues. The Corporation acknowledges that membership dues shall be used to carry out the charitable, educational and social welfare purposes of the Corporation.

4. Termination of Membership.

4.1 Voluntary Withdrawal. The Member may in its own discretion withdraw and be automatically removed from membership in the Corporation at any time after three (3) years by giving notice in the manner set forth in Section 2.5 of the Corporation's Bylaws. In the event of its withdrawal, the Member forfeits any entitlements or rights arising from such membership but, except as provided in Section 4.3 of this Agreement, shall have no obligation to pay additional membership dues.

4.2 Involuntary Termination. The Member's membership in the Corporation shall be terminated upon the occurrence of any of the following events:

(a) the failure to pay annual membership dues on or before the due date prescribed for payment in accordance with the procedures set forth in Section 1.2(c) of this Agreement; provided, however, the Member's membership in the Corporation may be reinstated upon (i) the payment of the full amount of due and unpaid membership dues payable under this Agreement prior to the date of reinstatement, together with interest thereon; (ii) the payment in full of a non-refundable reinstatement fee equal to 25% of the Member's annual dues for the year of involuntary termination; and (iii) the affirmative vote of at least a majority of the Board of Directors of the Corporation;

(b) the Member's dissolution under the laws of the State of its organization;

(c) the Member's failure to abide by the Articles of Incorporation, the Bylaws, this Membership Agreement or any policies and procedures adopted by the Board of Directors of the Corporation, if (i) the Member has been given notice of its violation and has been given a period of at least fifteen (15) days to cure such violation and (ii) the majority of the members of the Corporation vote to remove the Member from membership, provided notice of the intention to remove the Member from membership is given to the Member at least fifteen (15) days before such vote of the members of the Corporation is to take place; or

(d) the removal of the Member from membership without cause by the affirmative vote of at least two-thirds (2/3) of the [Government Sector or Private Sector] Members of the Corporation, provided written notice of the intention to remove the Member from membership is provided to the Member at least fifteen (15) days before such vote of the members of the Corporation is to take place; and provided further, that a Member removed from membership pursuant to this Section 4(d) shall no longer be obligated to pay membership dues.

4.3 Obligation to Pay Membership Dues. Except as provided in Section 4.2(d), the termination of the Member's membership in the Corporation

pursuant to this Section 4 shall not relieve the Member of the obligation to pay any portion of annual membership dues for the full three (3) year membership commitment accrued and unpaid as of the effective date of such termination of membership.

5. Resolution of Disputes. Any Member complaints which cannot be resolved to the mutual satisfaction of the Member and the Corporation through communications between the Member and the President (or the President's designee) shall be submitted for final resolution to a committee appointed by the Board of Directors of the Corporation that shall consist of representatives of Members. Any such dispute that cannot be resolved by such committee shall be resolved by arbitration in Los Angeles, California pursuant to the Commercial Arbitration Rules then obtaining of the American Arbitration Association. The parties shall be entitled to conduct reasonable discovery in accordance with the Federal Rules of Civil Procedure, prior to the arbitration hearing, and the Federal Rules of Evidence shall be applicable to the arbitration hearing. Neither the Member nor the Corporation shall commence any action against the other to resolve any such dispute in any court except to confirm such arbitrator's award or to obtain equitable relief. Judgment upon any such award rendered by an arbitrator may be entered by any court in the California having jurisdiction thereof. The arbitrator (a) shall not have any power or authority to add to, alter, amend or modify the terms of this Membership Agreement; (b) shall be bound by the laws of California, except that this Section 5 shall be governed by the Federal Arbitration Act; (c) shall have no power or authority to grant or award punitive damages; and (d) shall establish and enforce appropriate rules to ensure that the proceeding, including the decision, be kept confidential and that all confidential information of the parties be kept confidential and be used for no purpose other than the arbitration. The parties shall be deemed to have waived any rights to punitive damages.

6. Term of Agreement. The terms and provisions of this Agreement shall apply for an initial period commencing on the effective date of this Agreement and ending on August 25, 2009. Thereafter, the terms and provisions of this Agreement shall be renewed automatically and continue in effect from year to year unless the Agreement is terminated pursuant another provision of the Agreement.

7. General Provisions.

7.1 Remedies. The remedies provided to the parties by this Agreement are not exclusive or exhaustive, but are cumulative of each other and in addition to any other remedies the parties may have.

7.2 Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and transmitted by commercial courier, confirmed facsimile transmission, electronic mail or other electronic transmission, or by first class mail or certified mail, postage prepaid, to the Corporation and the Member at the addresses below. Any party may change the address to which notices are sent by giving notice in accordance with the provisions of this section. Any notice given by mail shall be deemed to be delivered at the time when the same shall be deposited in the United States mails, as aforesaid. Any notice given by facsimile or by electronic

transmission shall be deemed to be given upon successful transmission of such facsimile or successful delivery of such electronic transmission.

To the Corporation:

Four Corners Transportation Coalition
Attn: Dave Doyle
Telefax No: 909-861-3117
E-mail: david.doyle@ci.diamond-bar.ca.us

To the Member:

City of Industry
15651 EAST STAFFORD STREET
CITY OF INDUSTRY, CA 91744
Attn: Phil Iriarte, City Manager
Telefax No: (626) 961-6795
E-Mail: admin@cityofindustry.org

7.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns, and nothing in this Agreement is intended, nor shall it be deemed, to confer benefits on any third party.

7.4 Assignment. No assignment of this Agreement or the rights and obligations hereunder shall be valid without the prior written consent of the other party.

7.5 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts to be performed therein, without regard to the principles of conflicts of law thereof. Venue of any dispute arising from this agreement shall be in Los Angeles, California.

7.6 Severability. If any part of this Agreement shall be held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

7.7 Waiver. Waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any prior, concurrent or subsequent breach. None of the provisions of this Agreement shall be considered waived by any party except when such waiver is given in writing.

7.8 Entire Agreement. This Agreement, any exhibits and any amendments or addenda hereto, all of which are hereby incorporated by reference, constitute the entire agreement between the parties regarding the subject matter of this Agreement and supersede all prior or contemporaneous discussions, representations, correspondence and agreements, whether oral or written.

7.9 Headings. The headings contained in this Agreement are for convenience purposes only and shall not affect the meaning or interpretation of this Agreement.



"Working Together for Traffic Solutions"

Four Corners Transportation Coalition

21825 Copley Drive, Diamond Bar, Ca 91765 ♦ 909.839.7012

Los Angeles

Orange

Riverside

San Bernardino

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MEMBERSHIP OPPORTUNITIES

Public Sector Members – Cities and Counties located in, or affected by, the transportation issues affecting the Four Corners area. Membership Dues - \$10,000 a year, with a minimum 3 year commitment.

Private Sector Members – The Private Sector Members shall be those individuals, businesses, consultants, or other organizations in the private sector that are interested in the transportation issues facing the Four Corners area. Membership Dues - \$20,000 a year with a minimum 3 year commitment.

Associate Members – These members shall be non-profit or other similar entities that, by virtue of their purpose, have a vested interest in transportation issues affecting the Four Corners area.

BOARD OF DIRECTORS

The authorized number of Directors of the corporation shall be based on membership and shall include all Government Members ("Government Directors") and ten (10) of the Directors shall be Private Sector Members ("Private Sector Directors").

EXECUTIVE BOARD

The Executive Committee shall be comprised of not less than seven (7) directors at least a majority of which are government directors and is empowered to represent the Board of Directors and act on behalf of the Board of Directors. The Executive Committee shall consist of four (4) Government Members, the Chair of the Board of Directors, and two (2) Private Sector Members. For the first three (3) years of the entity's existence, the cities of Brea, Diamond Bar, Chino Hills, and Pomona shall be the Government Members on the Executive Committee.